DEC 1951 51-48 U.S. Officials Only CONFIDENTIAL. SECURITY INFORMATION CENTRAL INTELLIGENCE AGENCY 50X1-HUM INFORMATION REPORT COUNTRY USSR (Latvis) SUBJECT Conditions in the Sarkanais Metalurgs Plant, Liepaja: Management/Materials/State of Equipment/Plans, Norms and Incentives/Workers' Benefits/Labor Discipline DATE DISTR. LS May 1953 50X1-HUM NO. OF PAGES 7 THE UNLIFFD STATES - WITHIN THE MEANING OF AND 794, OF THE U.S. CODE. AS AMENDED. ITS TRANSMISSION OR REV. ATION OF ITS CONTENTS TO OR RECEIPT BY AN UNAUTHORIZED FIRSON NO. OF ENCLS. SUPP. TO 50X1-HUM THIS IS UNEVALUATED INFORMATION REPORT NO. Management "Sarkanais Metalurgs belongs ostensibly to the Lauvian Ministry for Local Industry. Since June 1952. however, two departments, the Martin furnaces and the foundry have been subordinated directly to Moscow 50X1-HUM "The director of the factory is Feteris Zvaigine U.S. Officials Only CONFIDENTIAL • NAVY ORR-EV This report is for the use within the USA of the Intelligence components of the Departments or

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Maria and discountry and an artist of the state of the st		
Production for Export		
"Most of the output of Sarkanais Matalungs is exported to	the USSR: almost all of the	
 Plg iron is exported. Only third rate products and reject 	ts are sold to Latvian enter.	
prises, although these enterprises may have purchasing per good quality material.	rmits which entitle them to	
Raw Materials		
"There is a continual shortage of raw materials. That por	tion of the Sarkanata Metalurge	•
plg from production which is not carried off to the USSR i	is cold to the large Latvian	
factories only. When a small factory wants to buy some pi	ig iron, it must deliver up	
some scrap from in addition to the cash price. There is a in Latvia; schools and 'house collectives' win red banners	continual scrap iron drive	
the prevalent watchword of 'economy' there is also a compo	is arriest rejects. Since	
1951 the workers at Sarkanais Metalurgs have had to pay fo	or the rejects they produce.	
even if these are due to defentive new materials rather th	an personal error	50X1-HU
Sarkaneis Metalurge does not produce o	ver 205 raints Hossen	SUX I-HU
bobody takes an interest in such things, except the worker	concerned. Great notices	
listing workers' names against the percentages of rejects	produced hung at the entrance	
of the plant The groupose of the	se notices was to shame the	50X1-HU

Equipment

"Most of the machinery at Saraanais Menalurgs is very old. The rolling mill dates from Tearist times. Some new mechanic have been temported during the Soviet era, eg a machine for rolling sheet from the Martin turnace department has been enlarged. But that is all.

workers into improving their ways, but nobody so much as glanced at them.

"This old mechanical orber breaks down - The Countin cornects frequently have explosions because the old ivon with which they are harged eiten includes old guns and tanks with ammunition still in them. The bettone of the furneces sometimes give way. The accident rate is high because of the sarrible state of this achinery and the furious work tempo. In the rolling mill there is at least one unjoy souldn't sweek. Workers are getting burns from the molten from On New Year's night 1961, two workers were killed when two cranes collapsed on them. The stance had been rattling and trembling for a long time, but no one had thought of repairing them.

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- 8. "Every factory has stated in its plan the amount of time, money and material it may spend on repairs. These allocations are jestlous y hospided for the repair of machinery that has a direct bearing on the fulfillment of the production plan. The remairs fund is not sufficient to keep even the vital mathins y in running order. Nothing is ever thoroughly overhauled, all repairs are but makes nifes to get production tarted again. How long the machine will stay running before another breakdown is not considered.
- 9. The work pace in Latvian Sectories is wither a slow-flow, because of lack of ray materials, defective machinery etc., or a mod rush to make up for lost time when the materials are delivered; the premainst be fulfilled in any case. Sarkanais Metalurgs usually mroages somehow to fulfill its plan, but everybody says this is largely the doing of Menager Zvaigane who is fixedly with all sorts of planning men and knows all the tricks from his line to the MOSR.
- 10. Most of the production graphs testured in the newspapers are imaginative idealism. Nothing runs so smoothly in a Society controlled plant. When there is no shortage of miterial, a machine will have broken down. The smooth curves in the graphs are at least for Sarksmais Metalogy, so much protogands.

 Labor
- 11. Sarkannia Metalurus has about 1200 vorkers. They are divided into seven categories with wages ranging from 400 to 1000 rubles per month. An electrician in the Martin furnace department, for example, belongs to the vectoral highest category; his wages (1951) averaged 600 rubles per month, fluctuating with the percentage of plan fulfillment and percentage of rejects produced. Although he has no fixed norms to meet since his job depends on current repairs, his wages fluctuated with the department's rate of achievement.
- 12. "The number of femile workers at the plant is not large; a rew hundred perhaps. The women always get the worst maid, unskilled gobs. The lowest wages in the plant are earned by the women who carry the bricks for the furneces. The female bricklayers earn a bit more, about 450 rubber a month
- 13. "Until 1950 about 300-400 German PDR. Stre working at Sarkamai- Metalurga, both as ordinary laborers and as specialists. The plant did not employ playe labor.

Plans, Norms and Incentives

- "The length of a worker a day is timed by law at eight hours. There is little legal overtime work for extra pay. In early 1971, for example, the Martin furnace department of Sarkanais Metalurgs had the right to let workers do paid overtime only four hours a week. There is, actually, a considerable amount of overtime work, the worker being credited with free time to draw on when the work is slack. At the end of each plant period there is a frightful rush to fill the plan; almost everybody will work overtime. At the start of a new plan period work is slack, and the workers get their free days. An electrical repair man for example, by virtue of his job, is not bound by norms or plans. But shenever enything treaks down in his department he may have to work two or three days or nights in successful widthout overtime commensation only the equivalent number of 'free' hours.
- 15. The morals keep changing from or look to the next in Letvian industries. Sometimes a department will be told what is now he been rised 20%, while other persons working in the same branch of industry will retain their old norms. The reason perhaps will be that the plan has maximum for the debug by to the department of new machines probating a larger output. Though the arm is not the new machines may be delayed by non-fulfillment of than in abother factory transform than difficulties etc, the

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increased output expected from these machines will be incorporated in the department's plan and have to be fulfilled on the old machines.

- 16. "When a person at Sarkanais Metalurge exceeds his norm, he gets a salary increase based on the extent of his achievement (double salary for a 200% production performance). But if he keeps this up for three months, his norm is increased, and that of other workers in his department. Although the Soviet press may write that a certain worker has exceeded his norms to such an extent that he is now doing his work for 1960, this is pure propaganda. Nobody is allowed to overfulfill his norms to such an extent.
- 18. "The workers' attitude towards the premia for fulfilled or overfulfilled norms is quite a different matter; these bring in money and everybody is keen on them. There is considerable abuse in the allocatent of such premia. They usually go to workers who belong to the CP or Komacatel. An ordinary worker rarely gets a premium unless he does something really spectanciar. An immediable person (as a legionary who fought against the Soviete in World war ii, even if he has served his sentence) has no hope of earning a premium, no matter how hard he may work. There is no way to fight these abuses. It is too dangerous to question the decisions of one's superiors, and the whole system of exhculation is so complicated anyway that nobody understands it. It depends on such factors as the norms, which keep changing, and the fulfillment of the overal, plan.

19. "Workers are encouraged to make restantations numbers are pretty indifferent to the exhortations to restantize; the rewards are small and nobody has enough time to read up on his job.

20. "Socialist competitions", too, exist, mainly on paper.

All types of units and individuals get involved in competitions? kolkhores, fishing kolkhores, separate fishing boats, factories, departments of factories, individual vorkers. Often the competition is forgotten once the paper is signed; in response to an order from the authorities some names are sent up as winners, often selected at rendom. Occasionally the authorities attach especial importance to a certain competition and fermish better materials, or such, for its duration. Then everybody does try to work harden, because there might be money premia at the end

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Cl. "One more pressure technique to increase production involves a 'promise to Stalin', such as a promise to complete a certain job of work by a certain date or to fulfil a plan before the time limit set. Such promises are entered into the same way as the Socialist competitions: a meeting is called; the workers are asked if anyone opposes the promise; nobody ever does so it is signed then and there. The workers get no more excited about these promises than about the competitions, for no material gain is attached. However considerable publicity attends them, and the management calls a meeting if a promise is not fulfilled in due time. Culprits who have 'retarded' fulfillmen' are sound among the lower employees. They are not punished, only blamed; a new date for fulfillment is set; and when the promise is at last fulfilled there is a new meeting at which special premis are awarded to certain CP and Komsomol workers not for work done but for organizing fulfilment.

Workers' Benefits

- 22. "Workers are entitled to a yearly holiday with pay. This pay is not based on their actual earnings but on the base daily wage of the category to which they belong, which usually is considerably less. Numerous small abuses arise in connection with holidays. Everybody is asked in the spring when he wants his holiday; he usually gets it though when it suits the management. Sometimes a worker may get no holiday at all, and no extra compensation; if it is in the interest of the factory to keep him at work. Carry-over of leave from one year to the next is rarely possible; a special certificate from the manager is needed.
- 23. "The much publicated rest houses and sanitoria for workers are virtually a fiction. If a factory has a 1000 workers, it may receive one or two journey orders for a sanitorium in the Crimea, or other resort area, such orders go to Party or Komsomol bosses. The workers spend their holidays at home. Few people in Liepajs go to the country as they did before World War II. The countryside is starving; there is more food in the towns. Some workers have small garden plots where they putter about; others just sit in the sun. Some take their holiday in single days, so as to transact the bureaucratic formalities of daily living.
- 24. "Workers receive no benefits if they are injured at work. Under Soviet law there are no accidents at work , only carelessness. If an accident happens, either the worker himself or his superiors are to blame. Every worker entering a job is informed of the 'labor protection' devices governing that job For example, an electrician is told that he may never work without rubber gloves and must 'beware of electric current' etc, for pages and pages. The rules are quite impossible to remember and follow completely: an electrician cannot work in rubber gloves and fulfil his norm, and even if he does follow al. the rules and get an electric shock, he has neglected to 'beware of the current' If the blame cannot be fixed on the worker in any way, then his immediate superior is guilty: Thus, if a worker has an assistant and the latter has an accident not caused by himself', the worker paye the assistant's hospital fees and other expenses; it the worker has no assistants and receives an injury his foremen pays for him. It is as actually proved that nobody but the management is guilty, and the injured worker has worked in the factory over eight years, he gets three months of hospital treatment free of charge plus his full pay. Accidents are treated like simple illnesses; the benefits are the same for both.
- 25. "It is not much use to take out avoident incurance. The moment an insured person is involved in an accident, the insurence entemprise such him is court for having caused the accident bimself. The worker only gets his insurance if he manages to win the case. This selder happens. Kolkhoz lowe, for example, are also insured. When one dies the attendant communication has to pay its price. In court that the low entrusted to him has not died through his own negligants.

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- 25. "A person who is totally disabled by a work accident usually gets a small pension, depending on his wage category. Only if the accident was plainly the fault of the management does he get any more. At Sarkanais Metalurgs in 1950 a man who operated a machina for cutting, atrap iron for the charge of the Martin furnaces was killed when a grenade exploded in the tank he was cutting. Manager Zwaigzne tried t persuade his wife not to sue, promising her good work. Others persuaded her to sue the plant. The court granted her a pension equal to her husband's wage.
- The factory club is one of those "voluntary-compalsory" institutions frequent in the USSR. The workers have to contribute one percent of their wages towards its upkeep. At Sarkanais Matalurgs an effort seems to be made to keep the club as comfortable and attractive as possible, as it is the prime example in a factory of what the propagandists claim. Actually the clubs are avoided, except by young workers who go there to dance on Saturday nights. People have no time to sit around. When they are not working they have to scrounge the shops for food. Club dues are collected at the same time as trade union dues, is not deducted on the payroll. Mambership in a trade union is not compulsory, but is useful in case of illness. There are usually two trade union officials to represent 1000 workers. One of their duties is to hear workers' complaints, but there is no point to this because no improvements will result. Officially, for example, the workers and the management enter into a collective bargain which stipulates that wages will be paid on time. They never are, and though it is the plain duty of the trade union bosses to combat this abuse, the only thing they can do is run about and pacify or now the workers into silence.

Political Indoctrination

28. "There is no regular political instruction for the workers at the larger Latvian factories. Occasionally a meeting is organized for the workers to make a promise to Stalin or to enter into a socialist competition. There are also mass meetings on May 1 and the anniversary of the October Revolution. The ordinary meetings are usually called between two shifts to get a large attendance. The management locks up the number plates of the outgoing shift so they won't be able to leave the grounds; the workers have to produce such plates on out. The meetings are short, so that practicus production time will not be wasted. The authorities also find it hard to make the workers attend the parales on Communist holidays. The members of factory managements march to a map as do the verkers was are scared of reprisals. But nobody really gets punished for absume

Labor Discipline

"Labor discipline is strict according to law, but the actual enforcement depends considerably on the solidarity of the workers within a given factory. The first time one is late nothing such happens; the foremen just makes a row about 'endangering the plan'. If lateness occurs again, a 'compades' court tries the case. Such a court consists of three workers from the offender's department or factory, one of whom must be a CP member. To them the offender accounts for his lateness. If they consider the cause valid, the man is excused. If he is late a third time, and not cleared by the 'compades' court, his case is turned over to the ordinary people's tribunal. Their centence is usually three to five years of forced labor. It is there for a case to go so far because there is a certain solidarity between the workers in a factory, anybody can be table, even the judges. No case is referred to the tribunal without first being wried in a compades court. Tribunal centuries are severe. For starting a break in a public place, or for drunk and disorderly behavior,

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a. man. gets one year of forced labor. Formerly the sentence for distilling bootleg
liquor was one year, new it is five. A sentence of over two years must be served in
the USER. At Serksmeie Metalurgs nobedy served a work suntence at the
factory on reduced wages, but at the former shippards in Liepaja
persons working at reduced wages for periods of six months or a year.

Training in the USFR

to make a trip there.

General Attitudes

31. "The general spirit among the workers in a Soviet-controlled factory in Latvia is one of sullen but tacit discontent. Everybody knows that the norms only go on rising and that there is no hope of improvement. The old workers remember the 'old times' but knows illent. The young have adopted a nort of devil-may-care fitalism: they devil a lot, try to laugh and have fun and never finish of the future. At 18 they are conscripted, which means three to five years away from home. On return, it will be the same hard work for little pay again. Everybody, young or old, feels in his heart that this cannot continue; and that there will have to be a war."

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